

**UTEA : Letter of Understanding**  
**Article 13 - Borland Arbitration Decision**

In the course of the 1987 negotiations, the parties agreed to provide certain rights for those employees in limited term positions covered by the David Borland Arbitration Decision Number FMCS 87K/00191. For the purposes of this Letter only, such persons shall be referred to as "employees". Employees shall have all wages and benefits to which they are entitled under the Collective Bargaining Agreement. In addition, employees who accrue 1040 hours or more of continuous service after July 1, 1987 shall have the following rights.

1. Upon expiration of their appointment, employees shall have the right to place their names on recall lists for future permanent employment and shall have recall rights in accordance with Article 13. Upon recall, employees shall be considered as new hire for the purposes of relocation and travel expense reimbursement.
2. Upon expiration of their appointment, employees shall have the right to be recalled to a limited term position in seniority order in the district in which they were employed in the previous year if the Department intends to fill limited term positions. Upon recall, employees shall be covered by applicable Travel Regulations.

Office of the State Employer  
*George G. Matish*  
*Bea Goree*

United Technical Employees Association  
*Joseph Cohn*

Michigan Department of Transportation  
*John Lopez*  
Date: October 19, 1987

**Letter of Understanding**  
**Article 16 - Transfers and Reassignments**

During the course of the 1987 negotiations, the parties reached the following understanding regarding the implementation of Article 16 in the Department of Transportation only.

1. In considering applicants for transfer, the Department shall select the most senior qualified candidate in accordance with Article 16.
2. In considering reassignments, the Department shall select the least senior qualified candidate in accordance with Article 16.
3. "Qualified" shall be defined as: "Completion, in an approved manner, of all training

required to perform the task or job, or performance of the requirements of the task or job, or performance of the task or job itself within the preceding twelve (12) month period."

4. For purposes of this Letter, qualification shall only be considered for individual employees at the lead worker level or above where there is no element system in place.

Office of the State Employer  
*George G. Matish*  
*Bea Goree*

United Technical Employees Association  
*Joseph Cohn*

Michigan Department of Transportation  
*John Lopez*

Date: October 19, 1987

**Technical Unit Contract Addendum**  
**Detroit House of Corrections Assumption Plan - Seniority**

In recognition that House Bill 4392 provides the Michigan Legislature intent and authorization for the State assumption of the Detroit House of Corrections (DeHoco), and for the transfer of existing DeHoco employees to the Michigan Department of Corrections in accordance with a plan approved by the Michigan Department of Civil Service (the Assumption Plan), and in further recognition that the assumption Plan as proposed for adoption by the Michigan Civil Service Commission provides that City of Detroit continuous service of an assumed DeHoco employee shall be treated in accordance with the collective bargaining contract applicable to the position in which s/he is transferred, the parties hereby stipulate and agree that the Assumption Plan approved by the Civil Service Commission including the following provisions do and shall apply to DeHoco employees assumed into the Michigan Department of Corrections under the Assumption Plan.

1. Benefit Seniority/Bargaining Unit Seniority. Article 12, Section 1 and 2.
  - (a) All continuous service earned with the City of Detroit prior to assumption into state classified service shall be treated for all purposes, except layoff and recall, as if such City of Detroit service had been earned with the state classified service.
  - (b) For the purposes of layoff and recall only, Bargaining Unit seniority for comparative purposes shall only include City of Detroit continuous service hours when necessary to break a tie between employees in state classified service hours.

- (c) The Bargaining Unit seniority of a DeHoco employee assumed into the state classified service under the Assumption Plan shall be the date of appointment into the state classified service for all comparative purposes, once said employee leaves DeHoco through any means.

United Technical Employees Association  
*Joseph Cohn*

Office of the State Employer  
*George Matish*  
*Bea Goree*

Date: October 19, 1987

**Letter of Understanding  
Payroll Deductions and Remittance  
for Michigan Educational Trust**

The parties recognize that the State has offered state employees the opportunity for payroll deduction in conjunction with individual employee's participation in the Michigan Educational Trust (M.E.T.) Program. Members of the Bargaining Unit who are M.E.T. participants will be offered the opportunity to individually initiate enrollment in such state program.

It is understood that initiation and continuation of the M.E.T. payroll deduction program is subject to the provisions of applicable statutes and regulations, and will be administered in accordance with such laws and regulations. If either the State or Michigan Education Trust determines to alter, amend, or terminate such M.E.T. payroll deduction program, the State will provide UTEA advance notice and, upon request, meet to review and discuss the reasons for such actions prior to their implementation.

For purposes of administering contractual association security provisions and payroll accounting procedures, it is understood and agreed that such M.E.T. deduction, if and when individually authorized by the employee, will be taken only when the employee has sufficient residual earnings to cover it after deductions for any applicable employee organization membership dues or service fees have been made.

United Technical Employees Association  
*Mert Brushaber*

Office of State Employer  
*James B. Spellicy*

**Agreement Between the  
Michigan Department of Transportation and  
United Technical Employees Association  
Regarding Work Element Training and Selection**

**Selection for Training:**

There is some inconsistency between districts in the selection process. The Work Element Manual, page 2, states training in work elements will be based on seniority, availability of the work elements, and staffing requirements. It was agreed that:

1. Engineering supervision will select the most senior applicant for training in work elements which are available and which does not conflict with needed staffing.
2. If an applicant with seniority cannot be released when a needed work element becomes available, he or she will be assigned the next available opportunity for the training (Work Element Manual, pg 2).
- 3 Training opportunity will be balanced to include members in under utilized classes in accordance with principles of Civil Service and Michigan Equal Employment Opportunity Council Guidelines for Implementing Civil Service Rule 1.2b. Monitoring for consistency will be done by the central construction division staff.
4. Copies of the Work Element Manual will be distributed to all permanent and temporary technicians. If more manuals are needed, the responsible supervisor can obtain them by calling Lansing.

**Processing Work Elements:**

The Work Element Manual, page 3, states action will be taken by resident/project engineers within ten (10) work days of receiving a work element certification form. This time table has not always been met in actual practice. It was agreed that:

1. Except in emergency situations, engineering supervision will process the application within 15 work days of submission.
2. The manual states district panels will review applications at least quarterly. To this we would add that there must be no appreciable delay that would affect the applicant's eligibility for reallocation or promotion.
3. An application for work element certification must be submitted within one year of performance to guarantee recognition by the district panel (Work Element Manual, pg 3).
4. Most, but not all, district panels conduct the oral interview and documentation review on a one-on-one basis with a panel member. It is recommended that all panels do

this as stated in the "Oral Interview Guidelines" memo dated October 8, 1979. It is also recommended that panel members be rotated to provide for distribution of this duty.

5. The district panel must transmit their action on all work elements processed to the applicants within 10 work days of the panel meeting.

**Appeals Process:**

Any applicant who feels there is a problem in their work element training or certification which cannot be resolved through normal channels may use the following appeals process:

1. The employee can submit the attached appeals form to the resident/project engineer with a statement concerning the problem within 10 work days of the event. If the appeal concerns a district panel decision it can be submitted directly to the district field engineer.
2. The resident/project engineer will review the appeal and attempt to resolve the problem within ten (10) work days of receipt. The results will be recorded on the form and forwarded to the district field engineer with a signed and dated copy returned to the employee.
3. If the problem remains unresolved at the project level, the district field engineer will review the appeal and make recommendations on the appeal form with copies returned to the resident /project engineer and the employee within ten (10) work days of receipt.
4. If the problem remains unsolved at the district level, the appeal will be forwarded to Lansing construction division for review and follow-up within 15 work days of receipt.
5. If the employee disagrees with this determination, a grievance may be filed at Step 2.

Michigan Department of Transportation  
*Faustino Pumarajo, Jr.*

United Technical Employees Association  
*Joseph Cohn*

**Letter of Understanding  
Between the  
Michigan Department of Transportation  
and the  
United Technical Employees Association**

**RE:           Short Term Inter-District Reassignments**

As a result of discussions between MDOT and UTEA the parties have agreed that

the following procedure shall apply to all short term, inter-district reassignments of MDOT Construction Division personnel covered under the Collective Bargaining Agreement existing between UTEA and the State of Michigan.

I. Short Term Inter-District Reassignments

1. Short term reassignments are hereby defined as the reassignment of an employee from his/her current work location to a different work location for a period of one construction season (April 1 - November 30).
2. In the event MDOT determines that short term reassignments are to be implemented, the following procedure will be used:
  - a. MDOT will determine the work location(s) from which employees are to be reassigned.
  - b. MDOT will determine the work location(s) to which employees are to be reassigned.
  - c. MDOT will determine the number of employees, the classification(s), level(s), and the work elements required for an employee to be eligible for reassignment.
  - d. MDOT will seek volunteers from among the eligible employees at the work location(s) which has/have been identified as over staffed.
  - e. Eligible employees will be selected on the basis of seniority beginning with the most senior employee.
  - f. In the event there are not enough volunteers, employees will be selected on the basis of inverse seniority beginning with the least senior eligible employee.
3. No employee covered by this agreement will be subject to more than one (1) short term, inter-district reassignment per construction season.
4. The length of the reassignment may be extended by mutual written agreement of MDOT and the individual employee.
5. Each reassigned employee will be entitled to expenses for full the duration of the reassignment.
6. Each employee will be returned to his/her previous work

location at the end of the reassignment period.

7. The parties agree that the advance notification requirement contained in the Collective Bargaining Agreement shall not apply to the short term reassignments covered by this Letter of Understanding. However, MDOT agrees that it will give affected employees a minimum of five (5) calendar days notice.
8. All personnel transactions covered under this agreement will be documented before or immediately following the reassignment. Copies of all documents will be placed in the employee's personnel file.
9. Overtime will be handled in accordance with Article 17, Section 14, and the accompanying Letter of Understanding. Individuals will be equalized in the overtime equalization unit in which they spent the majority of their time in a calendar year.

United Technical Employees Association

*Joseph Cohn*

Date: June 6, 1994

Michigan Department of Transportation

*Wayne E. Roe*

Date: June 15, 1994

Office of the State Employer

*Sharon J. Rothwell*

June 20, 1994

**Letter of Understanding  
Between the  
Michigan Department of Transportation  
and the  
United Technical Employees Association  
and  
The Office of the State Employer**

**TO:** All Michigan Department of Transportation Employees Covered by the Collective Bargaining Agreement Existing Between the United Technical Employees Association and the State of Michigan

**FROM:** United Technical Employees Association and Michigan Department of Transportation

**RE: Flexible Work Assignment for Technicians**

For more than two years the United Technical Employees Association (UTEA) and the Michigan Department of Transportation (MDOT) have worked together toward reaching an Agreement which will enable Technicians to perform Technical duties in a variety of classifications, thereby opening up new career paths for Technicians and providing MDOT with flexibility in assigning duties to Technicians. As a result of much effort and cooperation between UTEA and MDOT, a Letter of Understanding has been signed and will now be implemented. A copy of this letter is enclosed. It is being sent to every Technician in MDOT and will also be disseminated to management personnel within the department. Also included is an explanation of the major provision of the Letter. This communication is being sent jointly by UTEA and MDOT to illustrate that both parties have agreed upon understanding regarding the provisions contained in the Letter and how they are to be applied. If any Technician has a question regarding these issues, they are to contact UTEA. If any management personnel has a question, they are to contact the MDOT Office of Human Resources.

*Joseph Cohn*

United Technical Employees Association

*C. Thomas Maki*

Michigan Department of Transportation

*Gregory L. Swanson*

United Technical Employees Association

*James Farrell*

Michigan Department of Transportation

**Letter of Understanding  
Between the  
Michigan Department of Transportation  
and the  
United Technical Employees Association  
and  
The Office of the State Employer**

The parties have discussed and agreed that give the changes in the work environment, it is imperative that technicians perform a variety of technicians duties. The following Letter of Understanding is being enter into by the parties to provide for flexibility in assigning duties to technicians. This agreement is not designed to alter, amend or modify in any way, the Collective Bargaining Agreement existing between the United Technical Employees Association and the State of Michigan.

RE: Flexible Work Assignment for Technicians

Definitions

Technician Classifications -- The following are classifications covered by this agreement: Drafting, Construction, Traffic, Engineering and Survey Technicians.

Employee -- Anyone hired into a permanent or temporary position in one of the above referenced classifications in the MDOT after the effective date of this agreement.



Existing Employee – Anyone occupying a permanent position in the above listed classifications in the MDOT prior to the effective date of this agreement.

#### Implementation of New Employees

1. All new employees covered by this agreement will be hired into the department under one of the aforementioned technicians classifications.
2. New employees may be assigned to perform duties outside their classification to any of the technician classifications listed above. Such assignments can be made within a worksite.
3. Such assignments will be made by the employer as needed to meet the department's work load priorities and will be done in a manner that provides employees with an equal opportunity to perform them.
4. Such assignments will not be considered "working out of class" when performed for the training purposes or at the same or lower level.

#### Implementation of Existing Employees

1. Except in emergency situations existing employees will be given the opportunity to volunteer based on seniority to perform duties outside of their classification under any of the technician classifications listed above.
2. The department will seek volunteers of existing employees within thirty (30) days after the effective date of this agreement. Thereafter, those existing employees who did not participate will be given the opportunity to volunteer during the month of March 1999, and every April thereafter that this agreement is in effect.
3. No existing employee will be required to perform duties outside of their classification.
4. Such assignments will not be considered "working out of class" when performed for training purposes or at the same or lower level.
5. During the period between November 15 and April 15, for the purpose of this agreement, MDOT shall be able to assign existing employees to Winter Assignments in the same manner and under the same conditions that such assignments were made prior to the implementation of this Letter of Understanding.

#### Travel Status

Employees travel status (Schedule I/II) will be established by the classifications of their primary position and the applicable Travel Regulations.

#### Overtime

Overtime will continue to be offered, scheduled and assigned in accordance with

the provisions of Article 17, Section 14(B) of the Collective Bargaining Agreement, existing between the United Technical Employees Association and the State of Michigan.

Assignments/Reassignment/Transfers

Employees shall continue to be assigned, reassigned and transferred solely in accordance with the provisions of Article 16 of the Collective Bargaining Agreement, existing between the United Technical Employees Association and the State of Michigan.

Duration

The parties agree to the term of this Letter of Understanding for the duration of the primary Agreement. The parties agree that ninety (90) days before the end of this agreement to meet and discuss how this letter of understanding is working, discuss possible changes, and to determine if they wish to continue with this agreement. However, notification should be provided to the other party in writing with forty five (45) days prior to the termination of this agreement.

Bargaining Changes in UTEA - State of Michigan Collective Bargaining Agreement

If as a result of collective bargaining, any new language is adopted that impacts this letter of understanding the parties agree to meet and bargain over the impact of such language on this agreement, within thirty (30) days of ratification of the Collective Bargaining Agreement.

Michigan Department of Transportation  
by: *James D. Farrell* Date: 8/19/98  
9/8/98

Office of the State Employer  
by: *Janine M. Winters* Date:

by: *James Wilson* Date: 9/8/98

United Technical Employees Association  
by: *Joseph Cohn* Date: 8/20/98

**Explanation of the Major Provisions of the  
Flexible Work Assignment Letter of Understanding**

1. Technician Classifications Covered:

1. Drafting
2. Construction
3. Traffic
4. Engineering
5. Survey

2. New Employee - Anyone hired into a permanent or temporary position with the Michigan Department of Transportation in any of the above cited classes after the effective date of this agreement. These employees will be classified and

appointed according to their primary duties.

3. Existing Employee - Anyone occupying a permanent position in the Michigan Department of Transportation in one of the above cited classes prior to the effective date of this agreement.

4. New Employee Assignments

1. Michigan Department of Transportation will be allowed to assign new employee duties in any of the above listed classifications.

2. Assignment of such duties outside of the employees primary classification may only be done within the work site to which the employee is assigned. A work site is a field office, TSC or district office.

3. All employees at a work site within the covered classification will be given an equal opportunity to perform duties outside of their primary classification.

4. Such assignments are not working out of class.

5. Existing Employee Assignments

1. No existing employee will be required to perform work outside of their classification.

2. All existing employees will be given the opportunity to volunteer for assignments outside their classification.

3. Assignment of those who volunteer will be made on a rotating basis, based on seniority, with the most senior being assigned first.

4. Existing employees will have 30 days from the effective date of this Agreement to volunteer.

5. In March of 1999 and every April thereafter that this Agreement is in effect, existing employees will be able to volunteer to participate or to remove themselves from the volunteer list.

6. Michigan Department of Transportation will continue to be able to assign existing employees to Winter Assignments between November 15 and April 15, in the same way as they have in the past.

7. Assignments made under the provisions of the agreement will be made at the same or lower level and will not be considered working out of class.

6. Travel Status - An employee's primary class will determine whether the employee is in Schedule I or Schedule II travel status regardless of the travel status of the temporary assignment.

7. Collective Bargaining Provisions - This letter in no way alters, amends or nullifies any provisions of the Collective Bargaining Agreement existing between the UTEA and the State of Michigan.

**Letter of Understanding  
Human Resources Management Network (HRMN)**

During negotiations in 2001 the parties reviewed changes in terminology that resulted from the implementation of the new payroll-personnel system HRMN. The parties have elected to continue to use terminology that existed prior to the implementation of HRMN even though that same terminology is not utilized in HRMN. The parties agree that the HRMN terminology does not alter the meaning of the contract language unless specifically agreed otherwise.

An example of this are the terms "transfer, reassignment, and demotion" which are called "job change" in HRMN. The HRMN history record will show each of these transactions as a job change, however they will continue to have the same contractual meaning they had prior to the implementation of HRMN.

FOR THE UNION  
*Dennis L. Streeter*

FOR THE EMPLOYER  
*Janine M. Winters*

**Letter of Understanding  
Pre-Tax Parking/Transportation Benefit**

The parties have discussed the parking/transportation benefit authorized by the internal revenue code, which allows employees to pay parking or transportation expenses out of pre-tax income under certain circumstances. Among the factors discussed was that taking advantage of the parking/transportation benefit reduces an employee's taxable income, and therefore could slightly reduce the amount of the employee's social security benefit.

The parties agree as follows:

1. For bargaining unit employees who pay for parking through payroll deduction, the employer will implement the pre-tax payroll deduction benefit effective with the August 16, 2001 pay date. Prior to implementation, employees will be offered the opportunity to opt out of the benefit (i.e., to continue payroll deduction from after-tax income).

2. As soon as administratively feasible, bargaining unit employees who do not have payroll deduction for parking will be offered the opportunity to establish an account for the purpose of reimbursing out-of-pocket parking expenses. The employee determines the amount of pre-tax income to set aside, and then submits parking receipts for reimbursement from this account.
3. If permitted under the IRS code, the employer will offer the opportunity to establish pre-tax reimbursement accounts to bargaining unit employees who use van pools, buses, or other forms of mass transportation to commute to and from work. Additional research is required to determine whether this benefit can be offered.

FOR THE UNION  
*Dennis L. Streeter*

FOR THE EMPLOYER  
*Janine M. Winters*

**LETTER OF UNDERSTANDING  
ARTICLE 16  
ASSIGNMENT AND TRANSFER**

The parties agree that entry level (8) Technician position vacancies in the Michigan Department of Transportation (MDOT), which are filled as a result of the formal MDOT recruitment process conducted at colleges and universities, are exempt from the provisions of Article 16, Section 5.A.3.

The parties further agree that the remaining provisions of Article 16, Section 5.A will be exhausted prior to making any contingent offer of employment to a graduating candidate during the formal MDOT recruitment process and, upon acceptance of the contingent offer of employment by said candidate, the entry level Technician vacancy will be considered filled.

The parties also agree that, upon acceptance of the contingent offers of employment, MDOT will provide to the union a list of the successful candidates and the locations of the positions to be filled.

This Letter of Understanding is entered into for the term of the agreement unless the parties mutually agree to extend it during negotiations in 2007.

FOR THE UNION  
Jerry Ketchum, President  
SEIU LOCAL 517M, TECHNICAL UNIT

FOR THE EMPLOYER  
David H. Fink, Director  
Office of the State Employer

**LETTER OF UNDERSTANDING  
SEIU LOCAL 517M TECHNICAL UNIT**

The parties agree that employees in the Technical Bargaining Unit classified as state worker 4 may work up to 1,040 hours in a calendar year. The parties further agree that employees in the technical unit assigned to MDOT Civil Engineer or Technician co-op positions as permitted under Article 27, Section 4 of the Agreement, may work up to 2,080 hours in a calendar year.

For The Union  
Jerry Ketchum 09-29-04

For The Employer  
David H. Fink 09-29-04

**LETTER OF UNDERSTANDING  
ARTICLE 26**

During the negotiations in 2004, the parties agreed to amend the State Health Plan PPO chiropractic spinal manipulation benefit as provided for in Appendix G on a one (1) year trial basis. After one (1) year of experience at the new benefit level, the union may elect to continue the benefit at that level or return to the former benefit level of coverage at 90% after meeting the deductible.

For The Union  
Jerry Ketchum 10-28-04

For The Employer  
Cheryl Schmitt diel 10-28-04

**LETTER OF UNDERSTANDING  
ARTICLE 26**

During the negotiations in 2004, the parties agreed to amend the State Health Plan benefit for a Durable Medical Equipment (DME) and prosthetic and orthotics appliances network as provided for in appendix g on a one (1) year trial basis. After one (1) year of experience at the new benefit level, the union may elect to continue the benefit at that level or return to the former benefit level of coverage at 90% in-network after meeting the deductible.

For The Union  
Jerry Ketchum 10-28-04

For The Employer  
Cheryl Schmitt diel 10-28-04

**LETTER OF UNDERSTANDING**

During negotiations in 2004, the parties discussed concerns related to schedule II of the MDOT travel regulations. The parties agree to meet within 30 calendar days after Civil Service Commission approval of this letter of understanding to attempt to resolve the concerns. Any recommendation will be forwarded to the

director of the Michigan Department of Transportation and the director of the Office of the State Employer within 60 calendar days for possible implementation.

For The Union  
Jerry Ketchum 10-28-04

For The Employer  
Cheryl Schmittiel 10-28-04

**LETTER OF UNDERSTANDING  
ARTICLE 29  
DRUG AND ALCOHOL TESTING**

During the negotiations in 2004, the parties discussed reducing the percentage of employees who are subject to random drug and/or alcohol testing. The Employer agreed to reduce the number of random tests to 10% of the number of test-designated positions in the pool for a one-year period beginning in October 2005. If after one year there is a significant increase in the percentage of positive tests, the Employer reserves the right to return to 15%. If there is a significant reduction in the percentage of positive test results, the employer will meet with the Union to discuss the issue of further reduction in the percentage of employees randomly tested.

For The Union  
Jerry Ketchum 10-28-04

For The Employer  
Cheryl Schmittiel 10-28-04

**LETTER OF UNDERSTANDING  
UNION USE OF STATE'S E-MAIL SYSTEM**

Where access to the state's e-mail system is otherwise available, the Employer agrees to permit use of the state's existing e-mail system by union staff, union officers and union stewards for legitimate union business. Any use of the state's e-mail system by a bargaining unit employee for legitimate union business must take place on non-work time only, including the review of any such union materials transmitted.

All legitimate union business transmitted through the state's e-mail system must be clearly identified as a union communication in the subject line, and must be of a reasonable size, volume, and frequency. The employer shall have no liability to the union or an employee for the delivery or security of such transmittals.

No partisan political, or profane materials, or materials related to union elections, or materials defamatory or detrimental to the state, to the union, or to an individual employee, may be transmitted through the state's e-mail system. The Employer reserves the right to block any and all such material. The state's e-mail system is not private and may be monitored at any time.

In the event the Office of the State Employer determines that the Union's use of the state's e-mail system violates provisions of this Letter of Understanding, upon notice from the Office of the State Employer, the Union shall promptly take steps to correct the violation. In the event of a repeat violation, the Office of the State Employer and the Union shall meet and resolve the issue.

The program will continue for the duration of the agreement unless the Office of the State Employer identifies problems that cannot be resolved after meeting with the union. The Office of the State Employer reserves the right to cancel the program if the parties fail to resolve any identified problem(s).

For The Union  
Dennis Streeter 11-04-04

For The Employer  
Cheryl Schmittiel 11-04-04

### **LETTER OF UNDERSTANDING REDUCTION OF HOURS**

Through the expiration of this Agreement, December 31, 2007, the Employer agrees not to assert or exercise its rights, if any, related to reduction of hours of employment under this agreement. This Letter of Understanding shall not be construed as an admission by the Union of any right of the Employer to reduce hours of employment nor as an admission by the Employer of the absence of any such right.

For The Union  
Jerry Ketchum 10-28-04

For The Employer  
Cheryl Schmittiel 10-28-04

### **LETTER OF UNDERSTANDING BANKED LEAVE TIME PROGRAM**

1. Eligibility.

Permanent and limited-term, full-time, part-time, seasonal, and intermittent, probationary and non-probationary employees shall be required to participate in the banked leave time program (program). Non-career employees are not eligible to participate in the program.

2. Definitions and description of program.

An eligible employee shall work a regular work schedule, but receive pay for a reduced number of hours. The employee's pay shall be reduced by four (4) hours per pay period for full-time employees, and by a pro rata number of hours for less than full-time employees. The employee will be credited with a like number of Banked Leave Time (BLT) hours for each biweekly pay period.



3. Hours Eligible For Conversion To Program.

The number of BLT hours for which the employee receives credit shall be accumulated and reported periodically to participating employees. During the term of this letter of understanding, an employee shall not be able to accumulate in excess of 184 BLT hours. Accumulated BLT hours shall not be counted against the employee's annual leave cap, known as part a hours under the annual and sick leave program.

The employee shall be eligible to use the accumulated BLT hours in a subsequent pay period in the same manner as annual leave, pursuant to article 25.

4. Timing Of Conversion Of Unused Program Hours.

Upon an employee's separation, death or retirement from state service, unused BLT hours shall be contributed by the state to the employee's account within the state of Michigan 401(k) plan, and if applicable to the State of Michigan 457 plan. Such contributions shall be treated as non-elective employer contributions, and shall be calculated using the product of the following: (i) the number of BLT hours and, (ii) the employee's base hourly rate in effect at the time of the contribution.

If the amount of a projected contribution would exceed the maximum amount allowable under section 415 of the internal revenue code (when combined with other projected contributions that count against such limit), the state shall first make a contribution to the employee's account within the State of Michigan 401(k) plan up to the maximum allowed, and then make the additional contribution to the employee's account within the State of Michigan 457 plan.

5. Insurances, Leave Accruals And Service Credits.

Retirement service credits, overtime compensation, longevity compensation, step increases, continuous service hours, holiday pay, annual and sick leave accruals will continue as if the employee had received pay for the BLT hours. Premiums, coverage and benefit levels for insurance programs (including LTD) in which the employee is enrolled will not be changed as a result of participation in the program. Employees shall incur no break in service due to participation in the program. Subject to legislative approval, the program is not intended to have an effect on the final average compensation calculations under the state's defined benefit plan nor the salary used for employer contribution calculations under the state's defined contribution plan.

6. Relationship To Plan A And Plan C.

Before incurring unpaid Plan A or plan C hours all BLT hours must be exhausted.

7. Term.

The program shall be effective the pay period beginning January 2, 2005. The pay reduction and accrual provisions of this Letter of Understanding shall be in effect through the pay period ending October 22, 2005 unless extended by mutual agreement of the parties.

For The Union  
Jerry Ketchum 10-28-04

For The Employer  
Cheryl Schmittiel 10-28-04

### **EMPLOYMENT AND CONTINUING CONDITION GUARANTEE**

The Employer agrees that no employee in the Technical Bargaining Unit will be temporarily laid off, nor have their hours of employment unilaterally reduced under the provisions of this agreement, during the term of this agreement. Any time the Employer abolishes an occupied position necessitating layoff(s), affected employees will be offered employment within the bargaining unit. Employees who do not accept such employment shall be laid off, and such layoff shall not be deemed to violate this guarantee.

In the unanticipated event that it becomes necessary to conduct temporary layoffs or reduce the hours of bargaining unit employees, the Director of the Office of the State Employer shall inform the Union as early as possible, but consistent with the requirements of the collective bargaining agreement. Upon union request, the Employer shall discuss the potential impact upon unit employees caused by such actions. Following Employer notice of temporary layoffs or hours reduction, upon Union request employee participation in the Banked Leave Time program will be suspended for all employees in the bargaining unit for the remainder of this agreement beginning with the next pay period. All accrued Banked Leave Time hours shall remain subject to the provisions of the Letter of Understanding.

This guarantee shall be effective January 2, 2005 and end October 22, 2005.